

200 KAR 14:200. Linked Deposit Investment Program.

RELATES TO: KRS 41.600-41.620

STATUTORY AUTHORITY: KRS 41.606(1), (2), (5)- (7), 42.510(3), 42.525

NECESSITY, FUNCTION, AND CONFORMITY: This administrative regulation established the conditions for which small businesses and agribusiness are eligible for loans made available through the Linked Deposit Investment Program and provides for agency review of the information provided by the lending institution as part of the loan package. The Linked Deposit Investment Program, as it pertains to agribusiness, will be monitored by the Department of Agriculture and as it pertains to small businesses, will be monitored by the Cabinet for Economic Development.

Section 1. (1) The amount of funds available for Linked Deposit Investment Program loans shall be the amount of cash in the state's Unclaimed and Abandoned Property Program.

(2) Approval for a new application for a linked deposit investment shall be denied or an existing investment revoked by the State Investment Commission for failure of the financial institution to meet and maintain the eligibility requirements prescribed in KRS 42.500 and 200 KAR Chapter 14 for each investment type.

Section 2. Repayments. The eligible lending institution shall remit to the State Investment Commission by June 30 of each year all loan principal repayments for the preceding year beginning June 1 and ending May 31.

Section 3. Reporting Requirements. The State Investment Commission shall submit to either the Cabinet for Economic Development's Small and Minority Business Division or the Department of Agriculture a copy of the letter confirming each approved linked deposit investment with the eligible lending institution no later than thirty (30) days after the date the linked deposit investment program has been funded.

Section 4. Investment Policies. (1) Linked deposit investments in aggregate of less than \$100,000 for any institution may be in the form of a Certificate of Deposit. Aggregate investments between \$100,000 and \$250,000 may be in the form of a collateralized certificate of deposit with collateral meeting the requirements established by 200 KAR 14:081, Section 8, for the Kentucky Bank Repurchase Program. Any institution with linked deposit loans greater than \$250,000 shall be in the form of a repurchase agreement subject to the terms and conditions established by 200 KAR 14:081, Section 8, for the Kentucky Bank Repurchase Program.

(2) The yield on link deposit investments shall be as prescribed in KRS 41.610. (24 Ky.R. 1422; Am. 1649; eff. 2-10-98.)